

Education Cabinet

Kentucky's January jobless rate falls to 5.2 percent

Press Release Date: Wednesday, March 05, 2008

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FRANKFORT, Ky. — Kentucky's seasonally adjusted unemployment rate decreased from 5.3 percent in December 2007 to 5.2 percent in January 2008, according to the Office of Employment and Training (OET), an agency of the Kentucky Education Cabinet. January 2007's jobless rate was 5.7 percent.

The U.S. seasonally adjusted jobless rate fell from 5 percent in December 2007 to 4.9 percent in January 2008, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Four of the 11 major nonfarm job North American Industry Classification System (NAICS) sectors reported employment increases in January 2008, while four decreased, and three were unchanged, according to OET. A decrease of 1,900 jobs in January 2008 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,878,100. Since January 2007, Kentucky's nonfarm employment has risen by 18,100.

"Strength in the retail trade, and accommodation and food services industries helped propel Kentucky's unemployment rate down in January. This reflects the popularity of holiday gift cards and subsequent shift of purchases from December into January," said Justine Detzel, OET chief labor market analyst.

According to the seasonally adjusted employment data, jobs in the leisure and hospitality sector increased the most of any sector in January 2008 with 1,000 additional jobs. Since January 2007, employment in the sector has increased by 5,000 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations, and food services and drinking places industries.

"Year-over-year job gains in the accommodation, and food services and drinking places industries outweighed year-over-year job losses in arts, entertainment and recreation businesses," said Detzel.

Kentucky's trade, transportation and utilities sector had 700 more jobs in January 2008. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities, and it is the largest sector in Kentucky with 390,600 employees. Since January 2007, the number of jobs in this sector has jumped by 5,900.

"All industries within the trade, transportation and utilities sector experienced over-the-year job gains, with the majority of these employment increases occurring in retail trade enterprises," Detzel said.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations, and civic and professional organizations, rose by 400 jobs in January 2008. This area had 1,500 more jobs in January 2008 than in January 2007.

Kentucky's educational and health services sector grew by 300 jobs in January 2008. Since last January, this segment has gained 1,800 jobs. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients.

The construction sector had the same number of jobs in December 2007 and January 2008. Since January 2007, employment in this sector has increased by 3,100 positions.

After two months of losses, employment in the financial activities sector held steady from December 2007 to January 2008. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has added 1,600 positions over the past 12 months.

The information sector also reported the same number of jobs in December 2007 and January 2008. This segment, which includes firms involved in publishing, Internet activities, and broadcasting and news syndication, has gained 800 positions since January 2007.

The number of jobs in the professional and business services sector declined by 2,500 in January 2008. This area had 1,200 more employees in January 2007 than in January 2008. The professional and business services sector includes professional, scientific and technical services, management of companies, and administrative and support management, including temporary help agencies.

The government sector, which includes public education, public administration agencies, and state-owned hospitals, dropped by 1,400 jobs in January 2008. Since January 2007, this sector has risen by 8,500 jobs.

The employment figure in the natural resources and mining sector fell by 200 jobs from December 2007 to January 2008. Since January 2007, the segment has lost 500 jobs.

The number of jobs in the manufacturing sector fell by 200 in January 2008. Compared to January 2007, jobs in the sector were down by 8,400 in January 2008.

“The year-over-year employment decrease in manufacturing is concentrated in the durable goods subsector. With the rising uncertainty regarding the health of the economy, consumers have become reluctant to purchase big-ticket items such as automobiles. Furthermore, manufacturers of durable goods such as furniture and appliance makers, are negatively impacted by a decline in the housing market,” she said.

The U.S. Bureau of Labor Statistics’ monthly estimate of the number of employed Kentuckians for January 2008 was 1,945,381 on a seasonally adjusted basis. This figure is up 9,405 from the 1,935,976 employed in December 2007, and up 17,585 from the 1,927,796 employed in January 2007.

The monthly estimate of the number of unemployed Kentuckians for January 2008 was 107,534, down 182 from the 107,716 Kentuckians unemployed in December 2007, and down 8,481 from the 116,015 unemployed in January 2007.

The monthly estimate of the number of Kentuckians in the civilian labor force for January 2008 was 2,052,915. This figure is up 9,223 from the 2,043,692 recorded in December 2007, but up 9,104 from the 2,043,811 recorded for January 2007.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky’s statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.